



PSL LIMITED

PSL Towers, 615 Makwana Road, Marol, Andheri (East), Mumbai - 400 059.
Telephone : 66447777 166447788 166447799 • Fax : 022-66447700 / 66447711

Ref: PSL/2016-17/553

August 3, 2016

To,

National **Stock Exchange of India Limited**
Listing Department
Exchange Plaza,
5th Floor, Plot No C/1, G Block,
Bandra Kurla Complex,
Bandra East, Mumbai-400 051
Tel: 022-26598235136
Fax: 022-26598237/38
NSE Scrip Symbol: PSL

The Bombay Stock Exchange Limited
Corporate Service Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001
Tel: 022-22728398
Fax: **022-22722037/39**
BSE Scrip Code: 526801

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on August 3, 2016

With reference to the captioned subject, this is to inform you that the Board of Directors, at its meeting held today i.e. August 3, 2016, has approved and taken on record the un-audited financial results for the Quarter ended on June 30, 2016 under regulation 33 of SEBI (LODR) Regulations, 2015. In the view of same, we are enclosing herewith a summarized copy of un-audited financial results along with Limited Review Report issued by the Statutory Auditors of the Company.

Kindly take the same on your records and oblige.

Thanking You

Yours Faithfully

For PSL Limited

Ashok Puni
Managing Director

Encl.: As above

PSL LIMITED

Regd. Office: Kachigam, Daman, U.T. of Daman & Diu -396210
Tel No. (0260) 2242989 FAX No. (0260) 2241932
Website : www.pslimited.com CIN No.L67120DD1987PLC002395


STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2016
(Rs.in crore)

		3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date ended on
Sr.	PARTICULARS	30.06.2016	31.03.2016	30.06.2015	31.03.2016
No.		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(1)	(2)	(3)	(4)	(5)	(8)
Part I					
1	Income from operations				
	Net sales/income from operations (net of Excise duty)	1.94	6.49	31.45	73.34
	Other operating income	1.61	5.70	13.36	32.72
	Total income from operations (net)	3.55	12.19	44.81	106.06
2	Expenses				
	(a) Cost of materials consumed	1.67	5.23	32.45	84.37
	(b) Purchases of stock-in-trade				
	(c) Changes in inventories of finished goods, work-in-progress & stock in trade	1.47	1012.96	22.12	1165.13
	(d) Employee benefits expense	2.08	3.53	9.98	23.63
	(e) Depreciation and amortisation expense	32.42	37.57	37.57	150.28
	(f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	4.57	6.23	14.28	38.66
	Total expenses	42.21	1065.52	116.40	1462.07
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(38.66)	(1053.33)	(71.59)	(1356.01)
4	Other income	0	0.00		
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+ -4))	(38.66)	(1053.33)	(71.59)	(1356.01)
6	Finance costs	0.00	0.00	88.92	0.00
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5 + -6)	(38.66)	(1053.33)	(160.51)	(1356.01)
8	Exceptional items			(64.25)	
9	Profit/(+)/Loss(-) from Ordinary Activities before tax (7+-8)	(38.66)	(1053.33)	(224.76)	(1356.01)
10	Tax Expense	0	0	0	0
11	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9 + -10)	(38.66)	(1053.33)	(224.76)	(1356.01)
12	Extraordinary items (net of tax expense)	0	0	0	0
13	Net Profit (+)/ Loss (-) for the period (11+ -12)	(38.66)	(1053.33)	(224.76)	(1356.01)
14	Share of profit/(loss) of associates	0.00	0.00	0.00	0.00
15	Minority interest	0.00	0.00	0.00	0.00
16	Net Profit/ (Loss) after taxes. Minority interest and share of Profit /(Loss) of associates (13+ -14+-15)	(38.66)	(1053.33)	(224.76)	(1356.01)
17	Paid-up equity share capital (Face value of the Share shall be indicated)	124.93	98.94	98.94	98.94
18	Reserves excluding Revaluation Reserves (as per balance sheet) of previous accounting year.				(1620.47)
19	Earnings Per Share (before extraordinary items) (of Rs.10/-each not annualised				
.i	(a) Basic	(3.09)	(106.46)	(22.72)	(137.05)
	(b) Diluted	(3.09)	(106.46)	(22.72)	(137.05)
19	Earnings Per Share (after extraordinary items) (of Rs.10/-each not annualised				
.ii	(a) Basic	(3.09)	(106.46)	(22.72)	(137.05)
	(b) Diluted	(3.09)	(106.46)	(22.72)	(137.05)

NOTES:

- The above financial results of the First Quarter ended on 30th June, 2016 of Financial year 2016-17 were reviewed by the Audit Committee at the meeting held today i.e. 3rd August 2016 and then taken on record by the Board of Directors at its meeting also held today.
- The Company's main business is to manufacture steel pipes. Accordingly, the Company does not have more than one segment eligible for reporting in terms of relevant accounting standard issued by the Institute of Chartered Accountants of India.
- The Statutory Auditors of the company have conducted a "Limited Review" of the above unaudited financial results and have also submitted their Report thereon.
- The Operation Maintenance and Management Agreement between company and Jindal Tubular Limited for ensuring that the company's plant and machinery at its plants situated at Vizag, Jaipur and Varsana continued during the quarter under review.
- Interest amount of Rs.84.83 crores for the quarter under review has not been provided in the Accounts.
- The Company's application to BIFR duly registered with the latter is still pending for BIFR's consideration.
- The above result have also been submitted to the Bombay and National Stock Exchange where the Company's Securities are listed and the same have been posted at respective websites of the two exchange (s) at "www.nseindia.com" and "www.bseindia.com", in addition to posting at Company's website at "www.pslimited.com".

Place: Mumbai
Date: 3rd August, 2016

For PSL LIMITED

Ashok Punj
(Managing Director)

LIMITED REVIEW REPORT

The Board of Directors,
PSL Limited,
Mumbai

We, Suresh C. Mathur & Co., Chartered Accountants, Statutory Auditors of PSL Limited (hereinafter referred to as the "Company") have its registered office at Kachigam, Daman, U.T. of Daman Diu – 396210 hereby confirm that we have reviewed the accompanying statement of unaudited financial results of the Company for the quarter ended 30th June, 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in its meeting held on 3rd August, 2016. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2400, engagements to Review financial Statements issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with applicable standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

1. Due to continuous financial stress the Company has sought a restructuring program from the lenders under the guidelines issued by the Reserve Bank of India. The Company filed an application before CDR Cell on 6th March, 2013 (Cut-off date is 1st January, 2013) along with flash report. After considering the proposal, the final restructuring package was approved by CDR empowered group on 23rd September, 2013 which was duly communicated to the Company by the CDR cell vide its letter of Approval dated 23rd September, 2013. It is noticed that the CDR has not succeeded and all the bank accounts are NPA.
2. Due to non-implementation CDR package, there is a Cash and Capital Crunch and the Company is under stress due to reduction in turnover, slow-down in economic environment, increase in the cost of production, as well as due to idle labour, lack of sufficient orders and reduced net realization in comparison to the increase cost of sales.

3. It is noticed that the business of the Company is at stand still and no much production activity is carried out except negligible production has been carried out in Vizag and Chennai factories. Hence the sales are also very low.
4. The financial statements being prepared on a going concern basis, notwithstanding the fact that the Company's network is eroded a reference is made to the Board of Industrial and Financial Restructuring (BIFR), some of the conditions of the ODR package could not be implemented in letter and spirit, various banks which had advanced its facilities to the company have chosen to treat their outstanding dues to the company as Non Performing Assets (NPA) and four lenders have declared the Company's account as fraud or Red Flag account (RFA) in their books. These events cast significant doubt on the ability of the Company to continue as a going concern. The appropriateness of the said basis is inter-alia dependent on the Company's ability to infuse requisite funds for meeting its obligations (including statutory liabilities and those in respect of contracts entered into for purchase of goods and assets), rescheduling of debt/other liabilities and resuming normal operations.
5. The Company has made reference to the Board for Industrial and Financial Reconstruction on 19th June, 2015 under Section 15(1) of Sick Industrial Companies (Special Provisions Act, 1985) which was admitted on 8.9.2015. As per decision of the BIFR, in regard to the registration of the reference, the Company has been restrained from disposing off or alienating in any manner any fixed assets of the company without the consent of the BIFR. The matter is pending.
6. The Company's net worth has been fully eroded by the accumulated losses. The net worth of the Company will be further reduced/eroded. Presently net worth of the Company is negative. The Company has become a Sick Industrial company as defined under Section 3(1)(o) of the Sick Industrial Companies (SP) Act, 1985.
7. The company has not carried out detailed assessment of the useful life of Company's assets and hence depreciation charge has not been adjusted accordingly as per the notification to Schedule II of the Companies Act, 2013.
8. We are unable to comment on the impact on the value of investments made by the Company and its associates entities due to their losses and their impact on the losses for the consequent period ending 30th June, 2016.
9. The company has not provided the interest on Term Loan and Cash Credit for current quarter ended on 30th June, 2016.
10. The company has reported a Net Loss of Rs.38.62 Crores for the 3 months ended 30th June, 2016 against preceding 3 months net loss of Rs.224.76 Crores ended 30th June, 2015.
11. The Kandla Port Authorities cancelled Lease of lease hold lands at Kandla. They have demanded damages and arrears. Pending Court proceedings the ultimate expected liability is not fully provided. The Estate Officer has taken over the possession of the land.

12. Operations Maintenance and Management Agreement with Jindal Tubular (India) Limited.

- a) As per the Operations, Maintenance and Management Agreement with Jindal Tubular (India) Limited, they have taken over under operations of the following three units:-

PSL VIZAG	15.06.2015
JAIPUR	16.07.2015
VARSAHA	03.08.2015

- b) It will not be out of place to mention that Jindal Tubular India Limited has shifted from Varsana, a part of Plant & Machinery to their unit, Ambapura, Madhya Pradesh for their manufacturing purpose. This is contrary to the Agreement. This matter is pending with the Excise Department.
- c) The Company has handed over the Jaipur facility to JT (Jindal Tubular) under OMMA. JT had taken a provisional excise license. The Excise Department has informed that land on which Jaipur facility has been located is given on lease by the Govt. of Rajasthan to the Company and as per lease agreement the Company can neither sub-let/sale any part of land nor can make anyone financial and technical partner without prior permission of the State Government. On the basis of this, Excise authorities issued a show cause notice and informed that any entity seeking excise registration has to have land possession in any manner. Without possession of land by JT, the provisional excise registration shall stand cancelled/revoked. Currently, JT and the company are collectively representing the case before excise authorities. JT has informed that in case of non-confirmation or revocation of excise registration, they may not be able to operate or indicated their inability to continue at Jaipur facility under OMMA. The matter is under negotiation.
- d) Jindal Tubular (India) Limited has submitted that provisional Balance Sheet and Profit & Loss Account for the year ended 30th June, 2016 and shown a loss of Rs.2.72 Crores. Besides this they have claimed legacy payment from PSL amounting to Rs.5.25 Crores. However the PSL Statements are showing outstanding of Rs.2.79 Crores including Rs.2.32 Crores on account of Legacy dues. The Company has not accepted their claim and the accounts are under reconciliations.
- e) It appears that due to "Net Revenue" being a loss PSL will not be entitled for any revenues.

13. Allotment of Shares:

During the year the Company has allotted 2,59,99,232 Equity Shares of Rs.10/- each at a total price of Rs.26/- per share (including premium of Rs.16/- each) to seven promoter group entities and one lender of the Company on 24th May, 2016 pursuant to Corporate Debt Restructuring Scheme approved by Corporate Debt Empowered Group on 23rd August, 2013 in accordance with the provisions of Section 62(3) of the Companies Act, 2013.

14. Assignment of entire Financial Assistance granted by ICICI Bank to the Company to "Edelweiss Assets Reconstructions Co. Ltd."

- a) M/s. Edelweiss Assets Reconstruction Co. Ltd. vide their letter dated 11-7-2016 has informed that pursuant to an Assignment Agreement executed by ICICI Bank in favour of Edelweiss Assets Reconstructions Co. Ltd. on 29th June, 2016, ICICI Bank has assigned all its rights, title and interest in financial assistances granted by them to PSL Limited in their favour.
- b) As some time back all the rights, title and interest of financial assistance granted by YES Bank Limited and State Bank of India had also been similarly assigned in favour of Edelweiss Assets Reconstructions Co. Ltd.. the latter is now the biggest secured lenders of the Company having the assignment right for a total debt of Rs.1619.07 crores out of a total outstanding debt of Rs.4547.91 Crores including a debt of Rs.3366.74 Crores for which the restructuring was sanctioned in September, 2013.

15. Inventory:

- a) The closing inventory as on 30th June, 2016 is Rs.154.14 Crores which includes old non-moving stock of Rs. 71.90 Crores.
- b) We did not observe the counting of the physical inventories at the end of the quarter ending 30th June, 2016. We were unable to satisfy ourselves by alternative means concerning finished goods and merchandise quantities held at 30th June, 2016. Since finished goods and merchandise enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the loss for the quarter reported in the reporting package.

16. Lender Banks' Balance Confirmation as on 31st March 2016:

- a) We are informed that the company has applied for their confirmation of Bank certificate / Bank Guarantees / Letter of Credits / Corporate Guarantee given on behalf of subsidiary companies and interest certificates as on 30th June, 2016 which are yet to be obtained and supplied to us. This matter is pending. All banks have turned their outstanding balances due from company into NPA.
- b) The loan figures were arrived in the ledger as per the MRA for both categories of creditors (signed and not signed). We are informed that for the figures stated in the MRA a document has to be taken as confirmation of balance for the loan accounts.

17. EOW case filed by Aditva Birla Finance Limited (ABFL):
As on date, approximately Rs. 100/- million is lying frozen in the TRA account with ICICI. This is on account of receipt from various legacy orders like ISPRL, MT Educare, L&T, etc. executed post CDR implementation and receipt of Vizag insurance claim amount. Due to EOW order, the Company is unable to use it which otherwise could be used for its operating expenses, insurance payments and / or for distribution to lenders in case of surplus. It may be noted that although ABFL has become transaction specific member of CDR, however it has not acceded to CDR restructuring package. Considering this, CDR cell may again be requested to direct ABFL to fall in line with efforts / decisions of majority of CDR lenders.
18. The reconciliation of the balances from sundry Debtors confirming the amount of outstanding on 30th June, 2016 is in progress. In the absence of adequate evidence and information made available to us supporting the recoverability of this amount, we are further unable to comment on the financial impact of this matter on the profit/ loss for the period ended on 30th June, 2016.
19. Balance confirmations of Sundry Creditors are yet to be shown to us.
20. Legal Matters:
- a) Initially five complaints were filed by two banks under the relevant provisions of Negotiable Instruments Act but after the order of Addl. Sessions Court of Bombay, one has been scrapped and only four are now pending for disposal.
- b) Winding up Petition filed by JSW:
The winding up petition filed by JSW was withdrawn on 29.6.2015 as on direction of Bombay High Court an aggregate amount of Rs.25 Crores was paid by the Company. The Bombay High court has also directed the parties to execute necessary security documents in High Court in favour of JSW along with other CDR Lenders of the Company with respect to creation of charge over the movable fixed assets of the company on 15.6.2015. Further charge has also been created over the immovable assets of the company at Vizag, Kakinada, Varsana and Daman on 17.8.2015 by executing necessary security documents in favour of CDR Lenders and JSW.
- c) A Petition has been filed before the High Court of Gujarat at Ahmedabad challenging compensation Bill raised by Kandla Port Trust (KPT) in respect of five plots of land of PCD-I unit located in East of NH No. 08A, Kandla Road, Gandhidham and two plots of land of PCD-II in Plot No. 5&6 in Block D, Sector 12, Gandhidham. Stay has been granted in favour of Company with regard to 5 of the 7 plots.
- d) Termination of concession agreement executed by Kandla Port Trust in respect of PSL Infrastructure and Ports Private Limited. The matter is pending before arbitration Tribunal.

- e) FIR's have been registered against the Company, Managing Director, Whole Time Directors and an official. Two separate writ petitions are pending before Delhi High Court for quashing of subject FIR registered against the directors. Interim orders passed earlier for no coercive action against Directors shall continue.
- f) Aggrieved by the Order of Metropolitan Magistrate - the Company had earlier filed a Revision Petition before the Court of Additional Sessions Judge, Patiaia House, New Delhi which was dismissed vide orders dated 22-7-2015. Based on the advice of Advocate, the Company has now filed a Criminal Miscellaneous Petition being Cr. M.C. No. 5072 of 2015 under Section 482 of CPC in the Delhi High Court challenging the order dated 22-7-2015 of ASJ.
- g) Another supplier of company had on 10-3-2015 filed a company petition No. 434 of 2015 against the Company under Section 433(e) and (f) read with Section 434 and 439 of Companies Act, 1956 before the Bombay High Court. The matter is pending.
- h) A Civil Suit was filed by Chaitanya Blasting Works against the Company before the court of Additional District Judge at Vishakhapatnam for recovery of Rs.1.25 Crores along with interest @ 24% per annum along with an application for attachment before judgment of company's stock lying at Gurrarnpalen, Vishakhapatnam which was dismissed by the Court of Addl.(ADJ) vide order dated 5-10-2015. The Chataniya Blasting Work has now challenged the order of ADJ by filing a petition under Article 227 of the Constitution of India in the High Court of Judicature at Hyderabad. This matter is pending.
- i) Kotak Mahindra Bank
The Bank has initiated action under SARFAESI Act, 2002 u/s 14 of the said Act praying possession of property at Mouje, Nanicherai, Distt. Kutch, which property had been earlier mortgaged in favour of Kotak Mahindra Bank to secure the repayment of certain loan amounts.

The District Magistrate passed the Order in favour of Bank, but the same has been stayed by Gujarat High Court consequent upon writ petition filed by the Company.
- j) Indian Bank, Nariman Point, Mumbai
Issued Notice to the Company and Directors to pay Rs.64,57,90,389/- and Bank Guarantee Rs.3,21,90,190/- due to them and threatened to initiate legal proceedings.
- k) Federal Bank
The Federal Bank has given a show cause notice in pursuance of the proceedings for declaring the Company as Willful defaulter. This is objected by the Company as unwarranted and non-tenable. The matter is under dispute

I) Standard Chartered Bank

Given Notice u/s 433 and 434 of the Companies Act to pay outstanding dues and to initiate winding up proceedings against the Company.

21. Due to continuous losses suffered by the company's step down subsidiary namely PSL North America LLC, it was directly affecting the financial position of PSL/USA/Inc. (the holding Company of PSL North America LLC). The Company voluntarily petitioned for relief under chapter XI of the Title 11 of United States code by filing petitions in United States Bankruptcy court in the state of Delaware. All the assets of PSL North America LLC were put to sale/sold to a company for US 100 Million. We are informed that the impairment of loss/profit on sales of assets will be ascertained / recognized in the current year by the Company.
22. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regul. 33 of SEBI (LODR) Regs, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: New Delhi
Dated:



for Suresh C. Mathur & Co.
Chartered Accountants,
Firm Regn. No. 000891N


(Suresh C. Mathur)
Partner
M. No. 1276

3/8/2016